

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04 ITC-01

TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01 XMB-02

OPIC-03 /097 W

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P R 231446Z FEB 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 9213

INFO USMISSION EC BRUSSELS

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E.O. 11652: N/A

TAGS: ETRD, UK,EEC

SUBJECT: UK TARIFF TREATMENT OF KRAFT LINERBOARD

REF: (A) LONDON 2398, (B) STATE 33544

1. THIS CABLE DESCRIBES THE PROCEDURE USED BY THE UKG IN RESPONDING TO REQUESTS FOR TEMPORARY REDUCTION OR SUSPENSION OF IMPORT DUTIES. HOWEVER, IT SHOULD BE NOTED THAT THIS IS THE NORMAL PROCEDURE USED FOR DOMESTIC COMPLAINANTS.THE USG REQUEST ON KRAFT LINER IS RELATIVELY UNUSUAL AND WILL BE RESOLVED IN A MORE POLITICAL WAY WHICH WE EXPECT WILL APPROXIMATE BUT NOT BE RESTRICTED TO THE NORMAL PROCEDURE.

2. IN GENERAL' UK PROCEDURES FOR RESOLVING TARIFF-RELATED PROBLEMS ARE LESS STRUCTURED THAN THOSE REQUIRED UNDER US LAW AND ARE MORE ELASTIC WITH REGARD TO TIMING. HOW DOT UTILIZES THE OVERALL LATITUDE AVAILABLE TO IT WILL PROVIDE US WITH AN INDICATION OF HOW STRONGLY THEY LIMITED OFFICIAL USE

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WANT A SETTLEMENT AND WHETHER THEY WILL ATTEMPT TO

LINK PROGRESS ON KRAFT LINER TO PROGRESS ON HOVERCRAFT.

3. THE AUTHORITY FOR TEMPORARILY REDUCING AN IMPORT DUTY IS CONTAINED IN THE IMPORT DUTIES ACT OF 1958 (SECTIONS 1, 3(6) AND 13) AS AMENDED BY THE EUROPEAN COMMUNITIES ACT OF 1972 (SECTION 5(5) AND PARAGRAPH 1 OF SCHEDULE 4).

4. NORMALLY, THE FIRST STEP IS THE RECEIPT BY DOT OF A REQUEST FOR A TARIFF REDUCTION FROM A UK USER AS PART OF ITS REQUEST THE COMPANY DEMONSTRATES THAT THE PRESENT IMPORT DUTY IS "BURDENSOME" TO THE CONDUCT OF ITS BUSINESS THERE IS NO PRECISE UKG DEFINITION OF THE TERM "BURDENSOME" AND WE UNDERSTAND THAT ANY REASONABLE SUPPORTING DATA WILL MEET THIS TEST. THERE IS NO RESTRICTION AGAINST OTHER GOVERNMENTS SUBMITTING THE REQUEST FOR TARIFF MODIFICATION.

5. DOT THEN DECIDES WHETHER A SUBSTANTIVE CASE EXISTS. THERE ARE NO FIXED TIME LIMITS FOR THIS INTERNAL DECISION TO BE MADE BUT SEVERAL WEEKS WOULD BE NORMAL DEPENDING ON THE COMPLEXITY OF THE CASE.

6. AN ANNOUNCEMENT IS PUBLISHED REPORTING THAT A REQUEST FOR TEMPORARY SUSPENSION HAS BEEN MADE. INTERESTED PARTIES ARE ASKED TO SUBMIT THEIR VIEWS, FOR AND AGAINST. SIMULTANEOUS NOTICES ARE MAILED DIRECTLY TO AFFECTED TRADE ASSOCIATIONS. AGAIN, DOT IS FREE TO SET THE TIME LIMIT FOR RESPONSES TO BE RECEIVED. TWO OR THREE WEEKS IS THE NORMAL PERIOD. THE PUBLIC ANNOUNCEMENT IS BRIEF AND FAIRLY GENERAL IN NATURE.

7. THE REPLIES, IF ANY, ARE CONSIDERED BY DOT IF A COMPANY OBJECTS TO THE TARIFF MODIFICATION AND CAN

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 9214

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DEMONSTRATE A GOOD REASON ,SUCH AS THE ABILITY TO  
SUPPLY A SUBSTANTIAL AMOUNT OF THE SAME PRODUCT OR MARKET  
SAID TO BE EFFECTED BY THE TARIFF. FURTHER INFORMATION  
MIGHT BE SOUGHT FROM THE ORIGINAL REQUESTOR BEFORE A  
DECISION IS MADE. THERE ARE NO TIME LIMITS ON THIS  
PROCESS.

8. IF A DECISION TO MODIFY THE TARIFF IS MADE, THE  
SECRETARY OF STATE FOR TRADE WILL SO RECOMMEND TO THE  
LORD COMMISSIONERS OF HM TREASURY. HM TREASURY DOES  
NOT MAKE A SUBSTANTIVE JUDGMENT ON THE DOT DECISION  
AND WOULD QUESTION IT ONLY IF THERE WERE SOME PROCEDURAL  
PROBLEM. HM TREASURY THEN PREPARES AN "ORDER" WHICH IS  
"LAID BEFORE THE HOUSE OF COMMONS." NO ACTION IS  
REQUIRED BY THE HOUSE OF LORDS.

9. THE EFFECTIVE DATE OF IMPLEMENTATION IS USU:ALLY  
SET FOR THREE WEEKS AFTER PRESENTATION TO THE COMMONS  
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THE ORDER GOES INTO OPERATION UNLESS THERE IS SOME  
OBJECTION BY PARLIAMENT, IN WHICH CASE THERE WOULD  
BE AN EXAMINATION OF THE REQUEST. OBJECTIONS BY  
PARLIAMENT ARE UNUSUAL AND NORMALLY THIS ASPECT OF THE  
PROCEDURE IS RELATIVELY AUTOMATIC.

10. WE HAVE BEEN GIVEN VARIOUS ESTIMATES OF THE  
AVERAGE TIME REQUIRED TO SUCCESSFULLY COMPLETE THE  
ENTIRE PROCESQ. BUT MOST ARE IN THE 60 TO 90-DAY  
RANGE.

11. THERE IS NO RIGHT OF PUBLIC HEARING AT ANY POINT  
I THE PROCEDURE AND IMPUTS ARE ALMOST ALWAYS MADE  
DIRECTLY TO THE RESPONSIBLE OFFICE IN DOT.

12. EMBASSY PEVIEWED ENTIRE PROCEDURE WITH DR. MEISTER  
DURING HER FEBRUARY 19 VISIT TO LONDON. SHE WAS ASKED  
TO PREPARE DATA/INFORMATION. ON A CONTINGENCY BASIS,  
THAT WOULD SHOW BURDENSOME NATURE OF TARIFF ON UK  
USERS OF KRAFT LINER. AS NOTED PARA FOUR ABOVE. HAVING  
THIS INFORMATION READY WILL INSURE THERE IS NO DELAY  
IN PROCESSING US REQU:ST SHOULD UKG ASK FOR DATA OF  
THIS KIND. SPIERS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TARIFF NEGOTIATIONS, EXPORT CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976LONDON02780  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760067-0365  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760224/aaaauiw.tel  
**Line Count:** 181  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 LONDON 2398, 76 STATE 33544  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 30 MAR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <30 MAR 2004 by ElyME>; APPROVED <31 MAR 2004 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** UK TARIFF TREATMENT OF KRAFT LINERBOARD  
**TAGS:** ETRD, UK, EEC, KRAFT LINERBOARD  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006